SMT. MANEKA GNADHI: Sir, only six states have established special courts, which are exclusive, under the Prevention of Atrochities Act. The other states, unfortunately, have complained about the expenditure involved and have doubled the Magistrate's normal duties under this Act. In that case, the number of cases is less. All eighty-nine districts, which we have earmarked, where we know that atrocities take place, have got special courts.

MR. CHAIRMAN: Let us go to the next Question.

SHRI B.P. SINGHAL: Sir, I have a point to make.

MR. CHAIRMAN: No. I have the names of twenty Members. I have twenty names. If they want to have a separate discussion on this, they can have. Already we took seventeen minutes on this question.

SHRI B.P. SINGHAL: Sir, I have one very important question relating to this.

SHRI E. BALANANDAN: We can have a separate discussion on this.

MR. CHAIRMAN: not, now. Question Number 264.

Impact of Freight Hike on Steel Industry

*264 SHRI RAJNATH SINGH 'SURYA' Will the Minister of STEEL AND MINES be pleased to state:

(a) the impact of recent freight hike by Railways on steel industry;

(b) Would it increase the price of steel; and

(c) if so, by what percentage?

THE MINISTER OF STEEL AND MINES (SHRI NAVEEN PATNAIK): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) The impact of recent freight hike by Railways on the public sector undertaking under the Department of Steel alone would be approximately Rs. 110 crores.

(b) and (c) The prices of steel are affected by several factors including input costs, domestic demand, landed cost of imports, railway freight, export market and the cost of labour etc. Any increase in the raiway freight will enhance the cost of production of steel. However, the exact increase in price of steel due to hike in railway freight cannot be predicted. It will be governed by the demand and supply equilibrium, price elasticity of the relevant segments of the steel materials and capacity of the market to absorb the same.

श्री राजनाथ सिंह सूर्यः सभापति जी, माननीय मंत्री जी ने अपने उत्तर में कहा है कि रेलवे द्वारा माल भाड़ा ढोने की दर में जो वृद्धि की गई है उससे "अकेले" शब्द पर ज़ोर दिया गया है, इस्पात विभाग के नियंत्रणाधनी सरकारी क्षेत्र के उपक्रमों पर लगभग 110 करोड़ रुपये का प्रभाव पड़ेगा। बाद में उन्होंने कहा है कि इसका कोई मूल्यांकन संभव नहीं है। जिस तरह से बाज़ार की स्थिति होगी, उसके अनुसार प्रभाव पड़ेगा। भारत सरकार ने निर्णय किया है कि इस वर्ष वह अधिक से अधिक घरों का निर्माण, सड़कों का निर्माण करेगी। इस प्रकार से कंस्ट्रक्शन वर्क बहुत अधिक लिया जाएगा। मैं माननीय मंत्री जी से यह जानना चाहता हूं कि यह जो मूल्य वृद्धि है क्या उस योजना को प्रभावित करेगी अथवा नहीं और यदि करेगी तो उस योजना को प्रभावित न कर सके, इस दृष्टि से कोई उपाय करने का भी विचार किया गया है?

SHRI NAVEEN PATNAIK: Sir, it will not be possible to pass Rs. 110 crores, which, after the Railway Budget, is what is going to be the burden on the steel sector. In today's market, the SAIL, for instance, will not be able to realise this from the consumer. So. it cannot be realised from the consumer. This burden will, mainly have to be shouldered by the producer and the SAIL is the major part of it.

Sir, what we would like from the Railway Ministry, for the steel sector, is a review of the freight rates for steel materials. Sir, steel is presently classified as very high tariff class of 210 tonnes for train-load class and 230 tonnes for wagon-load class. This may be changed from

the present 210 tonnes train-load class to 190 train-load class, and from 230 wagon-load class to 210 wagon-load class. Sir, what I would like to just mention for the information of the hon'ble Member and of the august House as to from where we could be getting relief for the steel sector. A review of freight rates for raw materials, a review of minimum chargeable distance, a review, Sir, of freight charges for export of iron and steel materials and also a review of freight rates for movement of iron-ore on K.K. lines. I would like to explain what the K.K. line aspect is Iron-ore from Baladila mine is moved on the K.K. line, in respect of V.S.P. Ispat Industries, Vikram Ispat and ESSAR Steel and the tariff....(*Interruptions*)...

SHRI JAYANT KUMAR MALHOUTRA: Sir, the hon'ble Minister is giving a very long reply. ...(*Interruptions*)...

SHRI NAVEEN PATNAIK: Sir, I am giving a comprehensive answer to the House. We know that the steel sector ...(*Interruptions*).... Sir, I am giving a reply of what we have asked from the Railway Ministry in order to reduce the burden on the Steel sector. I was coming to one detailed aspect. Sir, it is a detailed thing, as to what are the various points what we have projected before the Railway Ministry, as a help for the steel sector. ...(*Interruptions*)...

SHRI JAYANT KUMAR MALHOUTRA: Thank you, Sir, The hon'ble Minister has given a very longish answer to a very short question. There has been a hike in the railway freights rate. The question was very simple. It was what effect the price a hike is going to have on the price of steel and whether it will be passed on to the consumer. Sir, in regard to the earlier question, the hon'ble Minister has given a longish answer on what was being done on the research side My question is very simple. The objective of research is to reduce the cost because. In spite our labour cost is the lowest in the world. Spite of high employment, our labour cost in the production of steel is only 13% as compared to Japan's 31% and yet, our cost of production of steel is very high. The Question is, what has been the impact of all this investment that is talked about, in the research sector, which would offset this increase in the freight rate etc? If there is a reduction in the cost, does it at least meet the incremental cost of freight? ...(*Interruptions*)...

SHRI T.N. CHATURVEDI: Sir, the Minister has already given a detailed reply. ...(*Interruptions*)...

SHRI JAYANT KUMAR MALHOUTRA: The question is whether the research contribution is reducing the cost of production of steel meets at least the incremental cost of freight? ...(*Interruptions*)...

MR. CHAIRMAN: The issue is, since Mr. Malhoutra could not get a chance to put a supplementary on the earlier question, he is linking it with this question. So, if the hon'ble Minister wants to reply, he may reply to it otherwise he need not reply. Do you want to say something, Mr. Patnaik?

SHRI NAVEEN PATNAIK: Yes, Sir. The cost of production is being reduced due to R&D efforts, but it is not enough to offset the inrease in the freight rate. Also, Sir, if I may be permitted to add to an earlier question since steel producers cannot increase their prices, the increase in the freight rate will not affect construction projects.

श्री राघवजी: सभापति जी, मैं भी पहले वाला प्रश्न पूछता हूं।

श्री सभापति: नहीं-नहीं। श्री गुरुदास दासगुप्त।

श्री राघवजी: महोदय, अब मैं इसी से संबंधित प्रश्न पूछ रहा हूं। मैंने तो केवल पृष्ठभूमि में बताया, लेकिन मैं इसी पर प्रश्न पूछ रहा हूं। माननीय मंत्री जी ने अपने उत्तर में यह कहा है कि 110 करोड़ का भार तो केवल सार्वजनिक उपक्रमों पर ही आएगा। इसका मतलब यह होगा कि कुल मिला कर स्टील इंडस्ट्री पर काफी भार आने वाला है और यह भी बताया कि यह उपभोक्ताओं पर नहीं ले जा सकते, तो मैं माननीय मंत्री

जी से यह जानना चाहता हूं कि सेल का जो बहुत बड़ा घाटा है, क्या उस घाटे में वृद्धि होगी अथवा आप स्टील उत्पादन की कास्ट कम करने के लिए उपाय करेंगे और कौन से उपाय करेंगे?

SHRI NAVEEN PATNAIK: In reply to the hon. Member's question, the impact of the four per cent hike in the railway freight rates and the concessions announced by the Railways, change in the classification of washed coal and the concession in the freight for distance up to 50 km. for some of the PSUs under the Department of Steel, is likely to be as I give now.

Sir, for the SAIL itself, it will be about Rs. 79 crores; for the RRNL, Rs. 21 crores and for the NMDC, more than Rs. 9 crores. This is for public sector undertakings. The producers will suffer losses due to the increase in the freight. They have been advised to cut costs further.

SHRI GURUDAS DAS GUPTA: Is the Minister aware that there has been a complaint from a number of iron-ore producing units, particularly the NMDC, that the basis for fixation of the railway freight has been discriminatory? I ask of the hon. Minister to answer this specifically because it is not only this time, but there has been a persistent request from the NMDC to the Steel Ministry to take up the question with the Railways. The freight from Bailadilla to the steel producing units has been fixed by the Railways in the most discriminatory way. An excess freight is being charged for a long time. Is the Minister aware of this? If he is aware of this, has he agreed with it and has he already taken up the matter with the Railway Ministry?

SHRI NAVEEN PATNAIK: Sir, earlier, I was not permitted to finish my reply to what the hon. Mr. Das Gupta is asking now. We have taken it up with the Railways. If I could explain a bit of details, as the hon. House knows, iron-ore from the Bailadilla mines is moved on the K.K. line in respect of VSP, Ispat Industries, Vikram Ispat and ESSAR Steels. The tariff is charged after inflatin the distance by 30 per cent to offset the high initial cost of the project. Thus, the freight paid by VSP and other iron and steel producers is higher by 30 per cent. Since this line has been in operation for the last several years and the initial cost may have since been recovered, it is requested that the freight rate on the line may be reviewed so as to charge the freight on the acutaf basis only.

Receipt of Grants by NGOs

*265. DR. Y. LAKSHMI PRASAD:
SHRI YERRA NARAYANASWAMY:

Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:

(a) whether atleast forty Non-Governmental Organisations had been receiving grants by adopting fraudulent ways;

(b) if so, the details thereof and their existence, State-wise; and

(c) the remedial steps taken for proper scrutiny of NGOs before sanctioning grant to check rampant corruption?

THE MINISTER OF STATE OF THE MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT (SHRIMATI MANEKA GANDHI): (a) to (c) Instances have come to notice where certain NGOs have indulged in misutilisation of funds released by the Ministry, or have sent fake recommendatory letter from State Governments/UTs. In such cases, after due verification, further release of grant is stopped and the State Government/U.T. Administration concerned is asked to take appropriate action against the NGO. A Statement showing the names of the organisations in whose cases requests for grant-in-aid have been refused, or further releases suspended, including follow-up action taken is enclosed below.